



Indiana State Teachers' Retirement Fund

JOSEPH E. KERNAN, Governor

WILLIAM E. CHRISTOPHER, Ph.D., Executive Director

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Indianapolis, IN 46204-2809

Telephone: (317) 232-3860

Toll-Free: (888) 286-3544

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Dear Member:

Home Page: <http://www.in.gov/trf>
E-mail: trf@state.in.us

Thank you for contacting the Indiana State Teachers' Retirement Fund to request a retirement application. In this booklet, you will find the information necessary to complete the retirement process.

We have made a concentrated effort to minimize the number of forms required to process your request. Despite these efforts, please realize that retirement planning is an intricate process because the decisions you make will affect the rest of your life. These decisions are permanent and cannot be reversed after your retirement date. In addition, please keep in mind that the processing time is approximately 60 days following your effective retirement date. While you will begin receiving estimated payments as soon as possible after your retirement date, please plan accordingly as to the receipt of any lump sum Annuity Savings Account payments.

With these points in mind, we would like to encourage you to visit with one of our retirement counselors, either in person or by a telephone appointment. This visit is not a requirement of the retirement process, but it is instrumental in explaining the retirement process and the benefits afforded under the different options. You may visit with our counselors at no cost. However, to maximize the effectiveness of their efforts, we respectfully request that you call the Fund at our toll-free number (888) 286-3544 to schedule an appointment. This step allows the Fund to prepare for your visit. Also, please note that the Fund will not conduct counseling visits from June 30, 2004 to September 17, 2004. During this peak period, our counselors are working diligently to process the retirements received from the preceding school year.

In preparing to weigh the available retirement options, you should have obtained your estimated retirement benefits. If you do not have your estimated retirement benefits, please visit our web site and click on "Retirement Calculator". Further, if you have not submitted a **copy of your birth certificate or other acceptable proof of birth to the Fund, please submit this documentation with your retirement application.** Please see Page B for a list of acceptable proof of birth documentation.

You must submit the following **required** documentation:

1. All **six** pages of the "Application for Retirement Benefits – Part 1" [Pages 1 of 6 through 6 of 6]
2. "Application for Direct Deposit" instructions and form [Pages 9-10]
3. "Substitute Federal Tax Withholding Form" [Page 11]
4. Proof of birth for the applicant and the co-survivor (if applicable)
5. If you wish to consider an Option A-4 (Social Security Integration) with your pension benefit option, you must provide a **current** copy of your Social Security benefits entitlement at age 62 from the Social Security Administration (Form SSA-7004_SM).

You may submit the following **optional** documents:

1. Form for Monthly Indiana Tax Withholding [Page 12]
2. Form for One Time Lump Sum of the Annuity Savings Account Indiana Tax Withholding [Page 13]

On the "Application for Retirement Benefits – Part 2" form [Pages 7-8], please complete Section One – Member Identification. You must submit this form to your employer for completion of Sections Two & Three – Employer Verification.

The "Application for Retirement Benefits – Part 3" form [Pages J-O] contains important tax information. If you have any questions regarding this material, we encourage you to seek professional tax advice.

Please note that unless you are 70 years of age (special rules apply), if you become re-employed in a position covered by this Fund or the Public Employees' Retirement Fund within ninety (90) days after your retirement date, your retirement benefits will stop and you will have to repay any benefits already received until such time as you subsequently retire from service again. If you are under normal Social Security retirement age and you are re-employed in a position covered by this Fund or the Public Employees Retirement Fund, your benefits will be suspended if you earn more than \$25,000 in a **fiscal** year.

We look forward to assisting you with your retirement process. Should you have any questions, don't hesitate to call our office.

Sincerely,

William E. Christopher, Ph.D.
Executive Director

2004

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General directions regarding the retirement application process:

Before beginning this process, please realize that retirement planning is not a simple procedure. If you have questions that are not addressed by the instructions, we strongly encourage you to contact our office for assistance. Our hours of operation are Monday through Friday from 8 a.m. to 4:30 p.m. (Indianapolis time)

- Please complete all of the forms in ink or by typing. As a security precaution, we would ask you to refrain from using a pencil to complete any of the information.
- Birth Certificates: The Fund must have a copy of your birth certificate or other acceptable proof of birth. Further, if you designate a co-survivor, you must provide the same documentation. For this purpose, you may submit the following acceptable documentation:
 - A copy of a "Certificate of Birth Registration" signed by the health officer of the city, county, or state where the birth occurred;
 - A copy of a valid United States of America Passport;
 - An executed "Proof of Birth" affidavit in the form prescribed by the Fund and a copy of a photo identification card such as a state-issued driver's license or identification card; OR
 - Other evidence relating to the member's date of birth that may be submitted to the Board for approval and acceptance.
- Option A-4 (Social Security Integration): You must submit a copy of your current estimated Social Security benefits for age 62 to calculate an A-4 benefit. If you will be age 62 or older when you retire, the A-4 option will not apply to you.
- Credited service and monies in this Fund are transferable to and from the Public Employees' Retirement Fund upon qualification and application for retirement benefits. If you have service in each fund and leave service after obtaining a sufficient amount of service credit between the two funds to qualify for retirement benefits, then the fund under which you were last covered will be responsible for the payment of retirement benefits. As such, your service and monies in the other fund will be transferred at that time. Further, interest and contributions will be brought up to date at that time. If you are applying for retirement benefits and have service in the Public Employees' Retirement Fund, you should contact their office as soon as possible regarding service credit. You may write to:

Indiana Public Employees' Retirement Fund
800 Harrison Building, 143 West Market Street
Indianapolis, IN 46204

Instructions for “Application for Retirement Benefits – Part 1”

Type of Retirement

- 3ox 1: If this application is for a regular retirement (as opposed to a disability retirement), please place a check (“✓”) in the adjacent box to the right by the “YES” box.
- 3ox 2: If this application is for a disability retirement, please place a check (“✓”) in the adjacent box to the right by the “YES” box. Return the application promptly to our offices. Once received, submit the Social Security Disability authorization by mail or facsimile as soon as possible.

Applicant Information

- 3ox 3: Please state the name of the applicant in the following order: first name, middle name or middle initial, and last name.
- 3ox 4: Please state the applicant’s Teachers’ Retirement Fund (TRF) number.
- 3ox 5: Please state the applicant’s Social Security number.
- 3ox 6: Please provide the applicant’s current full address, including the street or Post Office Box, city, state, and ZIP Code.
- 3ox 7: Please state the applicant’s date of birth.
- 3ox 8: Please provide the applicant’s home area code and telephone number.
- 3ox 9: Please state the applicant’s last day of work or leave of absence. This date is the actual date of the applicant’s last day of service. The effective retirement date will be the first of the following month.
- 3ox 10: Please provide the applicant’s future address if the applicant is planning on moving in the near future to a known address.
- 3ox 11: Please provide the applicant’s anticipated date of moving if known.
- 3ox 12: If the applicant wishes to have their retirement benefit begin on a future date, such as upon reaching full eligibility due to age, please indicate that date. If that date is more than one year in the future, do not forward “Part 1” of this form to the Fund until the delayed date is less than six months in the future. *Do complete* your portion of the “Part 2” and forward that “Part 2” to the school at which you last taught.
- 3ox 13: If you are entitled to retroactive benefits, indicate here. **Please note that retroactive benefits from the date the application is received by the Fund back to eligibility date may not exceed six months.**

Service in the Public Employees’ Retirement Fund

- 3ox 14: Please place a check (“✓”) in the appropriate box. This does not include teaching service, as this has already been accounted for. If the applicant answers “YES” to this question, please complete the boxes below the question and answer sections.
- 3ox 15: Please place a check (“✓”) in the appropriate box. If the applicant answers “YES” to this question, please complete the boxes below the question and answer sections.

*** Members must initial the bottom of each form when completed.
(The Member’s initials are required even if the form is left blank.)**



Application for Retirement Benefits – Part 1

State Form 23226 (R19/11-00)
Approved by State Board of Accounts 2000

Indiana State Teachers' Retirement Fund
150 West Market Street, Suite 300
Indianapolis, IN 46204-2809
Telephone: (317) 232-3860 / (888) 286-3544

NOTE: The following forms are **mandatory** and must be submitted with this application:

1. **Proof of Birth** for the applicant and the co-survivor (if applicable)
2. **Application for Direct Deposit**
3. **Substitute Federal Tax Withholding Form**

The following form is **optional** and may be submitted with your application:

1. Form for Monthly State Tax Withholding OR
Form for One Time Lump Sum of the Annuity Savings Account State
Tax Withholding

PRIVACY NOTICE

Your Social Security number is requested by this agency pursuant to the requirements of Internal Revenue Code 3405. Disclosure is mandatory; this form will not be processed without this information.

WHEN COMPLETED, YOU MUST SUBMIT ALL SIX PAGES OF THIS RETIREMENT APPLICATION.

TYPE OF RETIREMENT

1. Is this a regular retirement?	YES		NO	
2. Is this a disability retirement?	YES		NO	

APPLICANT INFORMATION

3. Name of Applicant (<i>first, middle, last</i>)		4. TRF Number	5. Social Security number	
6. Current Full Address (<i>Street or P.O. Box, city, state, ZIP Code</i>)		7. Date of Birth	8. Area Code and Telephone Number () -	
10. Future Full Address (If Moving)		11. Anticipated Date of Move		
		12. Date of Delayed Retirement (See note on facing page)		
13. Please pay any retroactive benefits to which I may be entitled.		YES		NO

SERVICE IN THE PUBLIC EMPLOYEES' RETIREMENT FUND (PERF) (PLEASE CHECK "YES" OR "NO")

14. Are you now, or have you ever been employed by a municipality, school, or any position that required membership in the Public Employees' Retirement Fund (PERF)?	YES		NO	
Years of PERF Service (If Applicable)	Location of PERF Service (If Applicable)			
15. Are you now, or have you ever been, elected or appointed to an elected position that required membership in the Public Employees' Retirement Fund (PERF)?	YES		NO	
Years of PERF Service (If Applicable)	Location of PERF Service (If Applicable)			

*** MEMBERS MUST INITIAL THE BOTTOM OF THIS PAGE WHEN COMPLETED.**

PART ONE: PAGE 1 OF 6

MEMBER'S INITIALS _____

Election of Pension Benefit Option

The pension portion of the TRF retirement benefit may be received in one of six different manners. Please review all of these options before making your selection. Also note, the "A-4" Option may be selected in combination with any of the six options.

Box 16: Option A-1: Regular Form of Retirement – please review the description of this option. If desired, this option may be selected by placing a check ("✓") in the box to the left of the description. Applicants selecting this option must designate beneficiary selections on Page 3.

Box 17: Option A-2: Straight Life without a Guaranteed Period – please review the description of this option. If desired, this option may be selected by placing a check ("✓") in the box to the left of the description.

Box 18: Option A-3: Modified Cash Refund Annuity – please review the description of this option. Note that this option is not available for those applicants who elect to distribute their annuity savings account under an Alternative II or IV option. If desired, this option may be selected by placing a check ("✓") in the box to the left of the description. Applicants selecting this option must designate beneficiary selections on Page 3.

Box 19: Option B-1: 100% Survivorship – please review the description of this option. If desired, this option may be selected by placing a check ("✓") in the box to the left of the description. Applicants selecting this option must name a co-survivor on Page 3.

Box 20: Option B-2: 66 2/3% Survivorship – please review the description of this option. If desired, this option may be selected by placing a check ("✓") in the box to the left of the description. Applicants selecting this option must name a co-survivor on Page 3.

Box 21: Option B-3: 50% Survivorship – please review the description of this option. If desired, this option may be selected by placing a check ("✓") in the box to the left of the description. Applicants selecting this option must name a co-survivor on Page 3.

Box 22: Option A-4: Social Security Integration - – please review the description of this option. If desired, this option may be selected by placing a check ("✓") in the box to the left of the description. Applicants may select this option with any of the six above-listed options. ***Please note that the election of this option will not affect the amount of your benefit to be received from Social Security.***

*** Members must initial the bottom of each form when completed.
(The Member's initials are required even if the form is left blank.)**

ELECTION OF PENSION BENEFIT OPTION

Select one of the following six options for the pension portion of your retirement benefit. The Option A-4 may be used in combination with any of the six listed options. Indicate your selection(s) by placing an "X" or a "✓" in the box that corresponds to your choice.

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16. **OPTION A-1: REGULAR FORM OF RETIREMENT.** You will receive a monthly benefit for life. If you die before receiving benefits for five years, your beneficiary will receive either your monthly benefit for the remainder of those five years or the present value of those remaining payments in a single lump sum payment. (*Designate beneficiary selections on Page 3*)

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17. **OPTION A-2: STRAIGHT LIFE WITHOUT A GUARANTEED PERIOD.** You will receive a monthly benefit for life, but there are no payments to anyone after your death.

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18. **OPTION A-3: MODIFIED CASH REFUND ANNUITY** (Not available for those who elect Alternative II or IV). Like Option A-1, you will receive a monthly benefit for life. This benefit will be based on your age, salary and service (employer pension amount) and the amount of money in your annuity savings account. If you die before receiving benefits for five years, your beneficiary will receive either a monthly benefit (the employer pension amount only) for the remainder of those five years, or the present value of those remaining payments in a single lump sum payment. Also upon your death, (whether you die before or after receiving five years of benefits) your beneficiary will receive a single payment of the amount remaining in your annuity savings account. Please note your annuity savings account balance is reduced with each monthly benefit paid. Thus, if you die after the account has been reduced to zero, there will be no annuity savings account distribution to your beneficiary. (*Designate beneficiary selections on Page 3*)

☐

19. **OPTION B-1: 100% SURVIVORSHIP.** You will be paid a monthly benefit for life. After your death, the same monthly benefit will be paid to your co-survivor for their life. (*Designate one co-survivor on Page 3*)

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20. **OPTION B-2: 66 2/3% SURVIVORSHIP.** You will be paid a monthly benefit for life. After your death, a monthly benefit in the amount of two-thirds of your benefit will be paid to your co-survivor for their life. (*Designate one co-survivor on Page 3*)

☐

21. **OPTION B-3: 50% SURVIVORSHIP.** You will be paid a monthly benefit for life. After your death, a monthly benefit in the amount of one-half of your benefit will be paid to your co-survivor for their life. (*Designate one co-survivor on Page 3*)

☐

22. **OPTION A-4: SOCIAL SECURITY INTEGRATION.** If you retire between the ages of 50 and 62, you may select this option and integrate your Fund benefit with your Social Security benefit. The Fund will pay you a larger monthly benefit before age 62. ***However, at age 62, your benefit will automatically reduce or be terminated depending on your estimated monthly benefit at age 62 from Social Security. This will occur whether or not you apply for Social Security benefits at age 62. You must submit a current copy of your estimated Social Security benefits for age 62. (See note on Page D)***

- YOU MAY SELECT THIS OPTION WITH ANY OF THE ABOVE-LISTED OPTIONS BY CHECKING THE BOX.

* MEMBERS MUST INITIAL THE BOTTOM OF THIS PAGE WHEN COMPLETED.

CO-SURVIVOR DESIGNATION: IF YOU HAVE SELECTED ANY OF THE “B” OPTIONS, YOU MUST DESIGNATE ONE CO-SURVIVOR IN THE SPACE THAT FOLLOWS AND PROVIDE A COPY OF THE CO-SURVIVOR’S BIRTH CERTIFICATE. YOU CANNOT CHANGE YOUR CO-SURVIVOR ONCE WE HAVE RECEIVED YOUR APPLICATION. IF YOUR CO-SURVIVOR DIES BEFORE YOU, CONTACT THE FUND FOR ADDITIONAL INFORMATION.

23. Name of Co-Survivor		24. Date of Birth	25. Relationship
26. Full Address (Street or P.O. Box, city, state, ZIP code)		27. Social Security number	
		28. TRF Number (If the co-survivor is also a member of the Fund)	

BENEFICIARY DESIGNATION

This section should only be completed if you chose an “A” Option on Page 2. If you want a single lump sum payment that might be due at your death to go to specific beneficiaries, rather than to your estate, select beneficiaries below.

29. Name of Beneficiary #1		Primary		Full Address of Beneficiary #1 (Street or P.O. Box, city, state, ZIP Code)
		Secondary		
Date of Birth	Relationship	Social Security number		
30. Name of Beneficiary #2		Primary		Full Address of Beneficiary #2 (Street or P.O. Box, city, state, ZIP Code)
		Secondary		
Date of Birth	Relationship	Social Security number		
31. Name of Beneficiary #3		Primary		Full Address of Beneficiary #3 (Street or P.O. Box, city, state, ZIP Code)
		Secondary		
Date of Birth	Relationship	Social Security number		
32. Name of Beneficiary #4		Primary		Full Address of Beneficiary #4 (Street or P.O. Box, city, state, ZIP Code)
		Secondary		
Date of Birth	Relationship	Social Security number		

*** MEMBERS MUST INITIAL THE BOTTOM OF THIS PAGE WHEN COMPLETED.**

- Box 23: Please list the full name of the co-survivor. This box must be completed if the applicant is choosing to take a B-1, B-2, or B-3 pension benefit distribution option.
- Box 24: Please list the co-survivor's date of birth. This box must be completed if the applicant is choosing to take a B-1, B-2, or B-3 pension benefit distribution option.
- Box 25: Please identify the relationship between the applicant and the co-survivor. This box must be completed if the applicant is choosing to take a B-1, B-2, or B-3 pension benefit distribution option.
- Box 26: Please state the full address of the co-survivor, including the street or Post Office Box, the city, state, and ZIP Code. This box must be completed if the applicant is choosing to take a B-1, B-2, or B-3 pension benefit distribution option.
- Box 27: Please provide the Social Security number of the co-survivor. This box must be completed if the applicant is choosing to take a B-1, B-2, or B-3 pension benefit distribution option.
- Box 28: Please provide the co-survivor's Teachers' Retirement Fund number if the co-survivor is also a member of the Fund.

Beneficiary Designation

Boxes 29 through 32: Applicants selecting either the A-1 or A-3 pension benefit distribution options have the opportunity to designate specific beneficiaries in these boxes. For each desired beneficiary, please provide their name, whether they are to be primary or secondary beneficiaries, their full address, their date of birth, the relationship between the applicant and the beneficiary, and the beneficiary's Social Security number. Death benefits payable to a member under these options who has not designated a beneficiary will be paid to the member's estate.

Primary beneficiaries: Primary beneficiaries receive any remaining benefits in equal shares. Thus, if you select two primary beneficiaries and they survive you at your death, each beneficiary will receive half of any due death benefits. If one of your two designated primary beneficiaries dies before you and is not replaced by a new designation, the remaining primary beneficiary will receive the full amount of any due retirement benefits.

Secondary beneficiaries: Secondary beneficiaries receive any death benefits due only if all listed primary beneficiaries have passed away prior to your death. If more than one secondary beneficiary survives you at your death, they will take any due benefits in equal shares.

*** Members must initial the bottom of each form when completed.
(The Member's initials are required even if the form is left blank.)**

Election for Annuity Savings Account Payment

The applicant's annuity savings account may be distributed in one of seven ways. The annuity savings account is a combination of the applicant's contributions and any interest earned by those contributions. Only one Alternative can be selected. This selection cannot be changed by the Fund once the application has been received.

Box 33: Alternative I – please review the description of this option. If desired, this option may be selected by placing a check (“✓”) in the box to the left of the description.

Box 34: Alternative II-A – please review the description of this option. If desired, this option may be selected by placing a check (“✓”) in the box to the left of the description.

Box 35: Alternative II-B – please review the description of this option. If desired, this option may be selected by placing a check (“✓”) in the box to the left of the description. If this option is selected, the applicant must complete box 40.

Box 36: Alternative II-C - – please review the description of this option. Note that this option may be selected only if the applicant is taking a rollover amount of at least \$500. This rollover amount must be listed in the box to the lower right of the description. If desired, this option may be selected by placing a check (“✓”) in the box to the left of the description. If this option is selected, the applicant must complete box 40.

Box 37: Alternative III – please review the description of this option. If desired, this option may be selected by placing a check (“✓”) in the box to the left of the description.

Box 38: Alternative IV-A – please review the description of this option. If desired, this option may be selected by placing a check (“✓”) in the box to the left of the description. Please note that if you wish to have a beneficiary designated for these monies, you must complete the information on page 5 of 6.

Box 39: Alternative IV-B – please review the description of this option. If desired, this option may be selected by placing a check (“✓”) in the box to the left of the description. Please note that if you wish to have a beneficiary designated for these monies, you must complete the information on page 5 of 6.

Box 40: Identification Information of Individual Retirement Account or Qualified Retirement Plan – those applicants electing to rollover any portion of their annuity savings account must complete this box.

*** Members must initial the bottom of each form when completed.
(The Member's initials are required even if the form is left blank.)**

ELECTION FOR ANNUITY SAVINGS ACCOUNT PAYMENT

You must select **one** of the seven alternatives described below. You may only select one of the options. **This selection cannot be changed by the Fund once the application has been received.**

☐ 33. **ALTERNATIVE I.** I elect to receive the total amount of my Annuity Savings Account paid as a monthly benefit. I understand that I will not receive any distribution from my Annuity Savings Account other than this monthly benefit.

☐ 34. **ALTERNATIVE II-A.** I elect to have the total amount of my Annuity Savings Account (less the mandatory withholding for federal income tax) **paid directly to me.** (See Pages J - O)

☐ 35. **ALTERNATIVE II-B.** I elect to have **ALL** of the taxable portion of my Annuity Savings Account paid in the form of a direct rollover to an Individual Retirement Account or a Qualified Retirement Plan that has provisions allowing it to accept the rollover on my behalf. The non-taxable portion will be **paid directly to me.** (See Box 40 below) (See Pages J – O)

☐ 36. **ALTERNATIVE II-C.** (May be selected only if you want a partial rollover amount of at least \$500.) I elect to have a part of the taxable portion of my Annuity Savings Account paid in the form of a direct rollover to an Individual Retirement Account or a Qualified Retirement Plan that has provisions allowing it to accept the rollover on my behalf. The non-taxable portion will be **paid directly to me.** Also, the “part” of the taxable portion of the distribution that is not directly rolled over (less the mandatory withholding for federal income tax) will be **paid directly to me.** (See Box 40 below) (See Pages J – O)

PARTIAL ROLLOVER AMOUNT (Must be at least \$500)

\$

☐ 37. **ALTERNATIVE III.** I elect to receive a distribution of an amount equal to my tax basis (after-tax contribution) in my Annuity Savings Account balance as it existed on December 31, 1986 and receive the balance of the account as a monthly benefit.

☐ 38. **ALTERNATIVE IV-A.** I elect to defer distribution of my Annuity Savings Account **until a later date.** My account will continue to be invested with the Fund under the same guidelines applicable to an Annuity Savings Account. I understand that I may make changes to the allocation strategy of my Annuity Savings Account quarterly.

☐ 39. **ALTERNATIVE IV-B.** I elect to receive a distribution of an amount equal to my tax basis (after-tax contribution) in my Annuity Savings Account balance as it existed on December 31, 1986 and defer distribution of the remainder of my Annuity Savings Account **until a later date.** My account will continue to be invested with the Fund under the same guidelines applicable to an Annuity Savings Account. I understand that changes to the allocation strategy of my Annuity Savings Account may be made quarterly.

BENEFICIARY FOR ALTERNATIVES IV-A & IV-B This beneficiary designation is for the Annuity Savings Account only and is applicable only if the member selects an Alternative IV. If you select Alternative IV-A or IV-B, you may designate beneficiary(ies) on Page 5.

40. IDENTIFICATION INFORMATION OF INDIVIDUAL RETIREMENT ACCOUNT OR QUALIFIED RETIREMENT PLAN.

I represent that the designated plan is an Individual Retirement Account or Qualified Retirement Plan that has provisions allowing it to accept direct rollovers on my behalf. The Fund should make the direct rollover check for the amount shown above payable to:

_____ as trustee of _____
Name of IRA Company Member's Name

My Individual Retirement Account number is _____. (If Applicable)

*** MEMBERS MUST INITIAL THE BOTTOM OF THIS PAGE WHEN COMPLETED.**

PART ONE: PAGE 4 OF 6

MEMBER'S INITIALS _____

ALTERNATIVE IV BENEFICIARY DESIGNATION**PLEASE ONLY COMPLETE THIS PAGE IF YOU HAVE CHOSEN ALTERNATIVE IV-A OR IV-B ON PAGE 4 OF 6.**

If you want the annuity savings account balance due at your death from Alternative IV-A or IV-B to go to specific beneficiaries, rather than to your estate, select beneficiaries below.

41. Name of Beneficiary #1			Primary		Full Address of Beneficiary #1 (Street or P.O. Box, city, state, ZIP Code)
			Secondary		
Date of Birth	Relationship	Social Security number			
42. Name of Beneficiary #2			Primary		Full Address of Beneficiary #2 (Street or P.O. Box, city, state, ZIP Code)
			Secondary		
Date of Birth	Relationship	Social Security number			
43. Name of Beneficiary #3			Primary		Full Address of Beneficiary #3 (Street or P.O. Box, city, state, ZIP Code)
			Secondary		
Date of Birth	Relationship	Social Security number			
44. Name of Beneficiary #4			Primary		Full Address of Beneficiary #4 (Street or P.O. Box, city, state, ZIP Code)
			Secondary		
Date of Birth	Relationship	Social Security number			

MEMBERS MUST INITIAL THE BOTTOM OF THIS PAGE WHEN COMPLETED.
(The Member's initials are required even if this form is left blank.)

Alternative IV Beneficiary Designation

Boxes 41 through 44: Applicants selecting Alternative IV (A or B) have the opportunity to designate specific beneficiaries in these boxes. For each desired beneficiary, please provide their name, whether they are to be primary or secondary beneficiaries, their full address, their date of birth, the relationship between the applicant and the beneficiary, and the beneficiary's Social Security number. Death benefits payable to a member under these options who has not designated a beneficiary will be paid to the member's estate.

Primary beneficiaries: Primary beneficiaries receive any remaining benefits in equal shares. Thus, if you select two primary beneficiaries and they survive you at your death, each beneficiary will receive half of any due death benefits. If one of your two designated primary beneficiaries dies before you and is not replaced by a new designation, the remaining primary beneficiary will receive the full amount of any due retirement benefits.

Secondary beneficiaries: Secondary beneficiaries receive any death benefits due only if all listed primary beneficiaries have passed away prior to your death. If more than one secondary beneficiary survives you at your death, they will take any due benefits in equal shares.

*** Members must initial the bottom of each form when completed.
(The Member's initials are required even if the form is left blank.)**

Affirmation

Please review the affirmation statement completely.

Box 45: The applicant must sign in this box.

Box 46: The applicant must provide their full address, including street or Post Office Box, city, state, and ZIP Code.

Box 47: The applicant must print their full name.

Box 48: The applicant must list the date of their signature and affirmation.

Notary Public Certification

Box 49: The Notary Public must sign in this box.

Box 50: The Notary Public must print their name in this box.

Box 51: The Notary Public must list the date their commission expires.

*** Members must initial the bottom of each form when completed.
(The Member's initials are required even if the form is left blank.)**

AFFIRMATION

I affirm that I am the above named applicant; that I have personally prepared this application; and that I have carefully read the questions and answers and understand the same; that each is full, complete and true; no material fact has been concealed or omitted there from; and that said answers are made for presentation to the Board of Trustees of the Indiana State Teachers' Retirement Fund in making claim for a retirement benefit that may be payable to me pursuant to Indiana Code, section 5-10.2 and section 21-6.1.

45. Signature of Member		46. Member's Full Address (<i>Street or P.O. Box, city, state, ZIP Code</i>)
47. Printed Name of Member	48. Date Signed	

NOTARY PUBLIC CERTIFICATION

STATE OF _____ }
COUNTY OF _____ } SS:

**EMBOSS
HERE**

This voluntary act sworn to before me, a Notary Public, in and for said State and County,
this _____ day of _____, 20 _____.

49. Notary Public Signature	50. Notary Public Printed Name (REQUIRED)	51. Date Commission Expires
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NOTE: If the above is being signed by an Attorney-in-Fact or Legal Guardian, copies of the corresponding Power of Attorney or Guardianship of the Person must accompany this application.

Once completed, please mail this application as soon as possible to:

**Indiana State Teachers' Retirement Fund
150 West Market Street, Suite 300
Indianapolis, IN 46204-2809**

*** MEMBERS MUST INITIAL THE BOTTOM OF THIS PAGE WHEN COMPLETED.**

Instructions for “Application for Retirement Benefits – Part 2”

Section One – Member Identification

Box 1: Please provide the name of the retiring member.

Box 2: Please provide the retiring member’s Social Security number.

Box 3: Please provide the retiring member’s Teachers’ Retirement Fund number.

This section is the **only** section that the member will complete on “Part 2.”

Sections Two & Three– Employer Verification (completed by employer)

These sections are to be completed by the employer. If the employer has questions regarding the requested information, please instruct them to contact the Fund immediately.

After completing Section One, the retiring member must submit the “Application for Retirement Benefits – Part 2” to their employer for completion. A retirement application cannot be processed until the employer has properly completed this form and returned it to the Fund.

Please note that although a member may choose to defer retirement to a date well beyond the eligibility date, the member will only be allowed six months of retroactive benefits measured from the date this application is received in the TRF office.

Application for Retirement Benefits – Part 2

Section One – Member Identification *(completed by member)*

1. Name of Retiring Member	2. Social Security Number	3. TRF Number
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Section Two – Employer Verification *(completed by employer)*

The employer must complete this part of the form. After completion, the employer should submit the form to the Fund either by mail or facsimile, along with a copy of the member's 2003-04 contract (plus supplements). Please submit all summer school contracts.

SCHOOL YEAR	CONTRACT SALARY	SALARY EARNED (P-31 Report)	SALARY LOST OR EXTRA EARNINGS (Show + or -)	REASON FOR SALARY LOSS OR EXTRA EARNINGS	SALARY INCLUDED IN P-31 PAID IN CONTEMPLATION OF RETIREMENT
1998-99	\$	\$	\$		\$
1999-00	\$	\$	\$		\$
2000-01	\$	\$	\$		\$
2001-02	\$	\$	\$		\$
2002-03	\$	\$	\$		\$
2003-04	\$	(Anticipated) \$	\$		(Anticipated) \$

Does the 1998-99 P-31 Salary Earned Report above include any amount actually earned prior to July 1, 1998, but paid July 1, 1998 or later from regular contract or summer school / other?

☐ YES ☐ NO Give Amount: Regular Contract \$ _____ Summer School/Other \$ _____

Does the 1999-00 P-31 Salary Earned Report above include any amount actually earned prior to July 1, 1999, but paid July 1, 1999 or later from regular contract or summer school / other?

☐ YES ☐ NO Give Amount: Regular Contract \$ _____ Summer School/Other \$ _____

Does the 2003-04 P-31 Salary Earned Report above include any amount actually earned prior to July 1, 2003, but paid July 1, 2003 or later from regular contract or summer school / other?

☐ YES ☐ NO Give Amount: Regular Contract \$ _____ Summer School/Other \$ _____

Is the employee in the "96" Plan? <input type="checkbox"/> YES <input type="checkbox"/> NO	Does the employer pay the employee contributions? <input type="checkbox"/> YES <input type="checkbox"/> NO	Date school began paying contribution for employees:
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Record of the 2003-2004 Quarterly

Quarter 2003-04	Salary Earned P-31 Report	Contributions Paid by Employee	Contributions Paid by Employer	Days Worked
1 st Qtr.	\$	\$	\$	
2 nd Qtr.	\$	\$	\$	
3 rd Qtr.	\$	\$	\$	
4 th Qtr.	\$	\$	\$	

Name of person at school to contact for information	Telephone number () -
---	---------------------------------------

Section Three – Employer Verification (completed by employer)Employer, please complete this section and forward the original to the Fund as soon as possible.

Name of Teacher		Social Security Number		Number of days for which salary was paid in the 2003-04 school year: <input type="text"/>	
SCHOOL YEAR	CONTRACT SALARY	SALARY EARNED (P-31 Report)	SALARY LOST OR EXTRA EARNINGS (Show + or -)	REASON FOR SALARY LOSS OR EXTRA EARNINGS	SALARY INCLUDED IN P-31 PAID IN CONTEMPLATION OF RETIREMENT
2003-04	\$	\$	\$		\$
List amount of TRF contributions made during school year (July 1 through June 30)					
School Year	Total Amount Paid		Amount employee paid		Amount employer paid
2003-04	\$		\$		\$
Employer School Unit		TRF employing unit number		County	
School Address (Street, city state, ZIP Code)		Person to Contact		Telephone Number (with area code)	
				() -	
				FAX Number (with area code)	
				() -	
Employer's Signature			Employer's Printed Name		
I hereby affirm that, under the penalty of perjury, according to official records, the above information is true and accurate and that the SERVICE or LEAVE OF ABSENCE (excepting disability retirement) and COMPENSATION of:					
Member's Name		Member's Social Security Number		Member's TRF Number	
for service as a teacher ceased on:			Member's Last Day of Service		
			, 20 _____		

EMPLOYER / SCHOOL UNIT INSTRUCTIONS

1. Please enclose a description of your current retirement incentive program. Please note that only \$2,000 of this amount may be used.
2. Please complete the employer verification report in two stages:

Stage 1 – Please complete "Section Two – Employer Verification"; please mail or FAX a copy to our offices along with a copy of the member's 2003-2004 contracts with amendments. Please submit all summer school contracts for the last five years of service.

Stage 2 – As soon as possible, complete "Section Three – Employer Verification" and return to our offices. The member's first payment is dependent on an expediently returned "Section Three." **Please note that your retiring teachers will not receive their final benefit calculation until after this form is received in our office.**
3. In the event that the member gives the employer the "Application for Retirement Benefits – Part 2" less than two weeks prior to his or her last day of service, please complete both stages at the same time and forward the completed form to our offices immediately.

Please do not hesitate to call or write with any questions or suggestions that might improve the retirement process:

Indiana State Teachers' Retirement Fund
150 West Market Street, Suite 300
Indianapolis, IN 46204-2809Telephone: (317) 232-3860 / (888) 286-3544
FAX: (317) 232-3882

THIS FORM IS REQUIRED TO COMPLETE THE RETIREMENT PROCESS**APPLICATION FOR DIRECT DEPOSIT**

State Form 47144 (R3 / 01-02)
Approved by State Board of Accounts 2002

INDIANA STATE TEACHERS' RETIREMENT FUND

150 West Market Street, Suite 300
Indianapolis, Indiana 46204-2809
(888) 286-3544 / www.in.gov/trf

A trust is deemed to be in effect by the operation of this instrument in the periodic transfer of funds by the payor to the financial organization acting as trustee for the lifetime benefit of the payee to retain and to revert to the payor the funds transferred after the death of the payee. This instrument is governed by the Indiana law and enforceable under the jurisdiction of the State of Indiana. Social Security numbers are requested by this state agency in accordance with the requirements of IRS Code 3405. This form will not be processed without this information.

READ INSTRUCTIONS ON BACK. TYPE OR PRINT**PART 1 - AUTHORIZATION**

Instead of receiving periodic recurring benefit payments by check from the Indiana State Teachers' Retirement Fund, I (*payee*) authorize and request TRF to direct the net amount of such recurring payments to my account at the financial organization (*Bank*) designated below, and I authorize said Bank to accept and to credit the payments to my account. I acknowledge that the transfer of the payments by TRF to the Bank be deemed complete satisfaction and discharge of the obligation of TRF due me. This authorization is not an assignment of my right to receive payment and revokes all prior payment direction notifications applicable to these payments. I will comply with the Bank's procedures providing safeguards against withdrawals of deposits after my death. If any deposits are made subsequent to my death to which I am not entitled, I hereby authorize and direct said Bank on behalf of my estate to refund said deposits to TRF and to charge same to my account.

Name of payee		TRF account number		Social Security Number	
Address (number and street)		City	State	Zip Code	Telephone number
Are you receiving more than one monthly benefit check from TRF? <input type="checkbox"/> Yes <input type="checkbox"/> No		If so, do you wish to have all TRF accounts electronically deposited? <input type="checkbox"/> Yes <input type="checkbox"/> No		If so, do you want all TRF checks deposited into the same account? <input type="checkbox"/> Yes <input type="checkbox"/> No	
Signature of payee				Date signed	

PART II - REPAYMENT ACKNOWLEDGEMENT

This section must be completed by any person other than the payee who will or may have access to the account into which the TRF benefit will be deposited, such as including but not limited to a person designated a power of attorney, a guardian or conservator, or a joint owner of the account. All such persons who have such access do hereby agree, as evidenced by their signatures, to notify the Bank and TRF of the payee's death promptly and further agree to be held liable for any amounts due to be returned to TRF from the deposit account after the payee's death.

NAME OF AUTHORIZED PERSON	PERSON'S SIGNATURE	DATE SIGNED	SOCIAL SECURITY NUMBER

PART III - ENDORSEMENT (Financial Organization Must Complete This Section)

We, the Bank, hereby agree to accept the authorization hereinabove conferred. We acknowledge that the authorization is not a power of attorney or agency within the meaning of Indiana Code 30-5-1-1 et seq., and that the death of the payee terminates the Bank's authority to accept payments from TRF, and to credit the amount to the payee's account. We understand that our account number, shown for the payee named herein, will be included on individual payment credits to his / her account. The terms which protect the rights and interests of a federal agency payor, as contained in 31 CFR parts 240, 209, and 210, shall be applicable in the operation of this agreement; and we further agree, upon acquiring knowledge of the death of the payee, to refund to TRF all deposits received subsequent to death.

Routing number (ABA Number) <div style="display: flex; align-items: center; gap: 5px;"> <div style="border: 1px solid black; width: 30px; height: 30px; display: flex; align-items: center; justify-content: center;"> </div> <div style="border: 1px solid black; width: 30px; height: 30px; display: flex; align-items: center; justify-content: center;"> </div> <div style="border: 1px solid black; width: 30px; height: 30px; display: flex; align-items: center; justify-content: center;"> </div> <div style="border: 1px solid black; width: 30px; height: 30px; display: flex; align-items: center; justify-content: center;"> </div> <div style="font-size: 20px; margin: 0 10px;">—</div> <div style="border: 1px solid black; width: 30px; height: 30px; display: flex; align-items: center; justify-content: center;"> </div> <div style="border: 1px solid black; width: 30px; height: 30px; display: flex; align-items: center; justify-content: center;"> </div> <div style="border: 1px solid black; width: 30px; height: 30px; display: flex; align-items: center; justify-content: center;"> </div> <div style="border: 1px solid black; width: 30px; height: 30px; display: flex; align-items: center; justify-content: center;"> </div> <div style="border: 1px solid black; width: 30px; height: 30px; display: flex; align-items: center; justify-content: center;"> </div> </div>		Name and address of Financial Organization		
Type of deposit or account <input type="checkbox"/> Savings <input type="checkbox"/> Checking				
Deposit account number				
Deposit account title (<i>All names on the account</i>)		Authorized signature of Financial Organization Officer		Date signed
Branch name	Telephone number	Printed name of Financial Organization Officer		Title of officer

PLEASE BE SURE YOU HAVE READ THE INSTRUCTIONS ON THE BACK.

INSTRUCTIONS FOR COMPLETING DIRECT DEPOSIT FORM

1. *Your Social Security number must be entered in Section I. If you are a survivor entitled to receive the original member's benefit, enter YOUR Social Security number, not that of the deceased.*
2. *The DEPOSIT ACCOUNT TITLE in Section III MUST contain the NAME(S) (all of them) that are on the account, NOT the type of account.*
3. *Your financial institution MUST complete Section III BEFORE returning the form to our office. A financial officer MUST sign and date the form in Section III.*
4. *This form must be in our office no later than the 5th of the month for your direct deposit to begin on the 1st of the following month. For example, if you want your direct deposit to begin on October 1, we must have the completed form in our office by September 5.*
5. *If the account is a joint account, any other person(s) on the account MUST complete Section II.*
6. *This form must be signed by the payee or the payee's duly authorized and appointed power of attorney or guardian / conservator. If the form is signed by the holder of a power of attorney or guardian / conservator rather than the member, a copy of supporting documents MUST be attached to the direct deposit form when returned for processing. The person signing MUST complete Section II.*

NOTE: YOU WILL ALSO RECEIVE AN ELECTRONIC FUND TRANSFER RECEIPT IN THE MAIL EACH MONTH SIMILAR TO A CHECK STUB. THIS RECEIPT WILL VERIFY THE MONTHLY ELECTRONIC DEPOSIT BY TRF.

THIS FORM IS MANDATORY AND MUST BE SUBMITTED WITH YOUR RETIREMENT APPLICATION

Substitute Federal Tax Withholding Form
(For Fixed Monthly Amount)

Member's Full Name <i>(Type or Print)</i>		Member's Social Security Number	
Member's Full Address <i>(Number and street or rural route)</i>		Member's TRF Number	
City	State	ZIP Code	Member's Phone Number () -
I authorize the Indiana State Teachers' Retirement Fund to withhold the following dollar amount <u>each month</u> as federal tax withholding: \$			
Member's Signature		Date of Member's Signature	
<p style="text-align: center;">This form is <u>required</u> for retirement processing.</p> <p style="text-align: center;">Should you have any questions regarding the tax status of your retirement, please consult a qualified tax professional.</p>			

**IF YOU WOULD LIKE TO HAVE INDIANA STATE TAX WITHHELD,
PLEASE COMPLETE THIS FORM.**

The Indiana State Income Tax rate is 3.4%



State of Indiana

Annuitant's Request for State Income Tax Withholding

FORM WH-4P

Revised 9/90

Type or Print Full Name		Social Security Number	
Home Address (Number and street)			
City	State	ZIP Code	
Annuity Contract Claim Number or Identification Number (TRF Number)			
Enter the amount to be withheld <u>each month</u> from annuity or pension payment.		\$	
I hereby request voluntary State Income Tax withholding from my annuity or pension payments.			
Signature of Annuitant		Date	

IF YOU CHOOSE TO RECEIVE A LUMP SUM PAYMENT OF YOUR ANNUITY SAVINGS ACCOUNT AND WOULD LIKE TO HAVE INDIANA STATE TAX WITHHELD, PLEASE COMPLETE THIS FORM.



State of Indiana

Annuitant's Request for State Income Tax Withholding

FORM WH-4P

Revised 9/90

Type or Print Full Name		Social Security Number
Home Address (Number and street)		
City	State	ZIP Code
Annuity Contract Claim Number or Identification Number (TRF Number)		
Enter the amount to be withheld from your <u>lump sum payment</u> .		\$
I hereby request voluntary State Income Tax withholding from my annuity or pension payments.		
Signature of Annuitant	Date	

Application for Retirement Benefits – PART 3

ABOUT TAXES AND ROLLOVERS

In Part 3, you will find the following documents:

1. Special Tax Notice Regarding Plan Payments [Pages L - O]
2. Internal Revenue Service Memorandum # 93-26 [Page O]
3. Substitute Federal Withholding Tax Form (for fixed monthly amount) [Page 11]
4. Indiana State Withholding form WH-4P (for monthly withholding) [Page 12]
5. Indiana State Withholding form WH-4P (for lump sum withholding) [Page 13]

NOTE: Federal and State tax withholding can be changed at any time by contacting this office for necessary forms.

INSTRUCTIONS FOR RETIREES SELECTING ALTERNATIVE I OR ALTERNATIVE III AT RETIREMENT:

Most monthly income received by retirees who use Alternative I or Alternative III is taxable. The part of the Annuity Savings Account that is not taxable is prorated over the expected life of the retirement benefits – thus approximately 97% to 99% of the monthly benefit is taxable.

Since retirees who have selected Alternative I or Alternative III are not withdrawing taxable portions of their Annuity Savings Accounts, those retirees need not be concerned with any tax forms except:

1. Substitute Federal Withholding Tax Form (for fixed monthly amount)
2. Indiana State Withholding form WH-4P (for monthly withholding)

FEDERAL WITHHOLDING

1. All retirees must fill out Substitute Federal Withholding Form WH-4P. Please contact a qualified tax consultant if you have further questions.

STATE WITHHOLDING

1. State withholding on monthly pension payments is optional. If a retiree decides to have money withheld for Indiana State Income Tax, the retiree should fill out the WH-4P on Page 12. In the box marked "TRF number", please list your Teachers' Retirement Fund number. In the box marked "\$", please put the exact amount (in dollars) that you wish to have withheld each month.
2. Retirees who reside out-of-state should not fill out a WH-4P Indiana State withholding tax form. The Fund can only deduct Indiana taxes. If you reside out-of-state, you will not owe Indiana tax.

INSTRUCTIONS FOR RETIREES SELECTING ALTERNATIVE IV-A or IV-B AT RETIREMENT

1. Retirees taking Alternative IV-A or IV-B must fill out the Substitute Federal Withholding Tax Form for monthly pension payments.
2. Retirees over the age of 70 may not choose Alternative IV-A or IV-B.
3. Under current IRS regulations, you must begin to receive distributions from your Annuity Savings Account by April 1 of the year that follows the later of the:
 - a. Calendar year in which you reach age 70 ½
 - b. Calendar year in which you retire

INSTRUCTIONS FOR RETIREES SELECTING ALTERNATIVE II AT RETIREMENT AND WHO INTEND TO DIRECTLY RECEIVE THE TAXABLE AMOUNT IN THEIR ANNUITY SAVINGS ACCOUNT

1. Retirees taking Alternative II should read the “SPECIAL TAX NOTICE REGARDING PLAN PAYMENTS” included in this section of the retirement packet.
2. Retirees taking Alternative II must fill out the Substitute Federal Tax Withholding Form for monthly payments. Please consult a qualified tax consultant if you have further questions.
3. Retirees taking Alternative II, and who elect to directly receive any taxable portion of their Annuity Savings Account should be aware that the IRS requires the Fund to withhold at least twenty-percent (20%) of that taxable portion. Further, if the retiring member is under the age of 59 ½, there may an additional 10% penalty assessed by the IRS on any taxable portion of the Annuity Savings Account that the retiring member withdraws.
4. Retirees taking Alternative II, and who elect to directly receive any taxable portion of their Annuity Savings Accounts, may wish to withhold State Income Tax from the taxable portion of the lump sum being withdrawn, even though Indiana withholding on lump sum payments is optional. Included in this packet [Page 13] is Indiana State Withholding form WH-4P for lump sum payments. If you wish to have Indiana taxes withheld from the *lump sum payment*, in the box marked “TRF number”, please list your Teachers’ Retirement Fund number. In the box marked “\$”, please put the exact amount (in dollars) that you wish to have withheld from the lump sum payment.
5. State withholding on *monthly pension payments* is optional. If a retiree decides to have money withheld for Indiana State Income Tax, the retiree should fill out the appropriate WH-4P form [Page 12]. In the box marked “TRF number”, please list your Teachers’ Retirement Fund number. In the box marked “\$”, please list the exact amount (in dollars) that you would like to have withheld each month.
6. Retirees who reside out-of-state should not fill out an Indiana State Withholding Form WH-4P for either lump sum withholding or monthly withholding. The Fund can only deduct Indiana State tax. If you reside out-of-state, you will not owe any Indiana tax.

INSTRUCTIONS FOR RETIREES TAKING ALTERNATIVE II AND WHO INTEND TO ROLLOVER ALL OR A PORTION OF THE TAXABLE AMOUNT OF THE ANNUITY SAVINGS ACCOUNT.

1. Retirees taking Alternative II should read the “Special Tax Notice Regarding Plan Payments” in this section of the retirement packet.
2. Retirees taking Alternative II must fill out the Substitute Federal Withholding Tax Form [Page 11] for monthly payments. Please contact a qualified tax consultant for information on how payments from our Fund may effect your personal tax situation.
3. State withholding on monthly pension payments is optional. If a retiree decides to have money withheld from monthly payments for Indiana State Income Tax, the retiree should fill out the appropriate WH-4P form [Page 12]. In the box marked “TRF number”, please list your Teachers’ Retirement Fund number. In the box marked “\$”, please list the exact amount (in dollars) that you would like to be withheld.

TRF strongly recommends that any retiree who has a question concerning the tax consequences of his/her retirement options consult a qualified tax consultant.

SPECIAL TAX NOTICE REGARDING PAYMENTS

This notice contains important information you will need before you decide how to receive your TRF benefits.

This notice is provided to you by the Indiana State Teachers' Retirement Fund ("TRF") because all or part of the payment that you will soon receive from TRF may be eligible for rollover by you or TRF.

For payments that are made on or after January 1, 2002, the Economic Growth and Tax Relief Reconciliation Act of 2001 ("EGTRRA") has significantly changed the rules which apply to your ability to rollover all or part of the payment that you will soon receive from TRF, including a change in the type of retirement plans to which you may rollover your TRF payment. This notice will explain how these new rules work.

If you have additional questions after reading this notice, you can contact TRF at (317) 232-3860 or toll free at (888) 286-3544 or go to the TRF Web site www.in.gov/trf.

SUMMARY

There are two ways you may be able to receive a TRF payment that is eligible for rollover:

- (1) certain payments can be made directly to an ELIGIBLE RETIREMENT PLAN that will accept it ("DIRECT ROLLOVER"), or
- (2) the payment can be PAID TO YOU.

An ELIGIBLE RETIREMENT PLAN is

- (1) A traditional IRA. A traditional IRA does **not** include a Roth IRA, SIMPLE IRA or education IRA.
- (2) Another qualified employer plan under Code section 401(a) or an annuity plan under Code section 403(a) that accepts your rollover.
- (3) An annuity contract described in Code section 403(b) that accepts your rollover.
- (4) An eligible deferred compensation plan under Code section 457(b) which is maintained by a state, political subdivision of a state or any agency or instrumentality of a state or local governmental entity and which agrees to accept your rollover and separately account for amounts transferred into such plan from the TRF plan.

If you choose a *DIRECT ROLLOVER*

- (1) Your payment will not be taxed in the current year and no income tax will be withheld.
- (2) Your payment will be made directly to an ELIGIBLE RETIREMENT PLAN.
- (3) The taxable portion of your payment will be taxed later when you take it out of the ELIGIBLE RETIREMENT PLAN.

If you choose to have a TRF payment that is eligible for rollover *PAID TO YOU*

- (1) You will receive only 80% of the taxable portion of the payment, because TRF is required to withhold 20% of the payment and send it to the IRS as income tax withholding to be credited against your taxes.
- (2) The taxable portion of your payment will be taxed in the current year unless you roll it over. Under limited circumstances, you may be able to use special tax rules that could reduce the tax you owe. However, if you receive the payment before age 59½, you also may have to pay an additional 10% tax.
- (3) You can roll over the payment by paying it to an ELIGIBLE RETIREMENT PLAN within 60 days after you receive the payment. The amount rolled over will not be taxed until you take it out of the ELIGIBLE RETIREMENT PLAN.

If you want to roll over 100% of the payment to an ELIGIBLE RETIREMENT PLAN, you must find other money to replace the 20% that was withheld. If you roll over only the 80% that you received, you will be taxed on the 20% that was withheld and that is not rolled over.

MORE INFORMATION

- I. *PAYMENTS THAT CAN AND CANNOT BE ROLLED OVER.*
- II. *DIRECT ROLLOVER.*
- III. *PAYMENT PAID TO YOU.*
- IV. *SURVIVING SPOUSES, ALTERNATE PAYEES, AND OTHER BENEFICIARIES.*

I. PAYMENTS THAT CAN AND CANNOT BE ROLLED OVER

Payments from TRF may be "eligible rollover distributions." This means that they can be rolled over to an ELIGIBLE RETIREMENT PLAN. TRF will be able to tell you what portion of your payment is an eligible rollover distribution. The definition of an eligible rollover distribution has been changed by the new federal tax law, EGTRRA. We have explained these changes below.

The following types of payments cannot be rolled over:

Non-taxable Payments. Subject to the circumstances noted below, generally only the "taxable portion" of your payment can be rolled over. If you have made "after-tax" employee contributions to TRF, these contributions will be non-taxable when they are paid to you, and they generally cannot be rolled over, except as provided below. (After-tax employee contributions generally are contributions you made from your own pay that were already taxed.) TRF will be able to tell you how much of your payment is the taxable portion and how much is the after-tax employee contribution portion.

However, if your TRF payment is paid on or after January 1, 2002, the above requirement that only the taxable portion of a payment may be rolled over does not apply if you elect to rollover to certain types of accounts. The non-taxable portion of a TRF payment which is paid on or after January 1, 2002 may be rolled over to (1) a traditional IRA, or (2) a qualified defined contribution plan, if it is made by a direct rollover and if the defined contribution plan agrees to separately account for amounts so transferred, including separately accounting for the non-taxable portion of the payment and the taxable portion of the payment. If you have the after-tax contributions paid to you first, you cannot then roll them over to a qualified defined contribution plan, but they could be indirectly rolled over to a traditional IRA (see Section III, "Payment to You").

Payments Spread over Long Periods. You cannot roll over a payment if it is part of a series of equal (or almost equal) payments that are made at least once a year and that will last for

your lifetime (or your life expectancy), or

your lifetime and your beneficiary's lifetime (or life expectancies), or

a period of ten years or more.

Required Minimum Payments. Beginning when you reach age 70½ or retire, whichever is later, a certain portion of your payment cannot be rolled over because it is a "required minimum payment" that must be paid to you. Special rules apply if you own 5% or more of your employer.

II. DIRECT ROLLOVER

A DIRECT ROLLOVER is a direct payment of the amount of your TRF payment to an ELIGIBLE RETIREMENT PLAN. You can choose DIRECT ROLLOVER of all or any portion of your payment that is an eligible rollover distribution, as described in Part I above. You are not taxed on any portion of your payment for which you choose a DIRECT ROLLOVER until you later take it out of the ELIGIBLE RETIREMENT PLAN. In addition, no income tax withholding is required for any portion of your TRF payment for which you choose a DIRECT ROLLOVER.

DIRECT ROLLOVER to a Traditional IRA. You can open a traditional IRA to receive the direct rollover. If you choose to have your payment made directly to a traditional IRA, contact an IRA sponsor (usually a financial institution) to find out how to have your payment made in a direct rollover to a traditional IRA at that institution. If you are unsure of how to invest your money, you can temporarily establish a traditional IRA to receive the payment. However, in choosing a traditional IRA, you may wish to consider whether the traditional IRA you choose will allow you to move all or part of your payment to another traditional IRA at a later date, without penalties or other limitations. See IRS Publication 590, *Individual Retirement Arrangements*, for more information on traditional IRAs (including limits on how often you can roll over between IRAs).

DIRECT ROLLOVER to a Plan. If you are employed by a new employer that has an ELIGIBLE RETIREMENT PLAN, and you want a direct rollover to that plan, ask the Plan Administrator of that plan whether it will accept your rollover. An ELIGIBLE RETIREMENT PLAN that is not a traditional IRA is not legally required to accept a rollover and may choose to accept only certain types of funds as rollovers. If your new employer's plan does not accept a rollover, you can choose a DIRECT ROLLOVER to a traditional IRA. If the employer plan accepts your rollover, the plan may restrict subsequent distributions of the rollover amount, or may require spousal consent to any subsequent distribution. You should check with the Plan Administrator before making your decision.

DIRECT ROLLOVER of a Series of Payments. If you receive a payment that can be rolled over to an ELIGIBLE RETIREMENT PLAN, and it is paid in a series for less than ten years, your choice to make or not make a DIRECT ROLLOVER for a payment will apply to all later payments in the series until you change your election. You are free to change your election for any later payment in the series.

III. PAYMENT PAID TO YOU

If your payment can be rolled over under Part I above and the payment is made to you in cash, it is subject to 20% federal income tax withholding. The payment is taxed in the year you receive it unless, within 60 days, you roll it over to an ELIGIBLE RETIREMENT PLAN. If you do not roll over, special tax rules may apply. For TRF payments made on or after January 1, 2002, the IRS may waive the 60-day requirement in certain circumstances, as explained below.

Income Tax Withholding:

Mandatory Withholding. If any portion of your payment can be rolled over under Part I above and you do not elect to make a DIRECT ROLLOVER TRF is required by law to withhold 20% of that amount. This amount is sent to the IRS as income tax withholding. For example, if you can roll over a payment of \$10,000, only \$8,000 will be paid to you because TRF must withhold \$2,000 as income tax. However, when you prepare your income tax return for the year, you must report the full \$10,000 as a payment from TRF. You must report the \$2,000 as tax withheld, and it will be credited against any income tax you owe for the year.

Voluntary Withholding. If any portion of your payment is taxable but cannot be rolled over under Part I above, the mandatory withholding rule described above does not apply. In this case, you may elect not to have withholding apply to that portion. To elect out of withholding, ask TRF for the election form and related information.

Sixty-Day Rollover Option. If you receive a payment that can be rolled over under Part I above, you can still decide to roll over all or part of it to an ELIGIBLE RETIREMENT PLAN. If you decide to roll over, *you must contribute the amount of the payment you received to an ELIGIBLE RETIREMENT PLAN within 60 days after you receive the payment.* The portion of your payment that is rolled over will not be taxed until you take it out of the ELIGIBLE RETIREMENT PLAN.

You can roll over up to 100% of your payment that can be rolled over under Part I above, including an amount equal to the 20% that was withheld. If you choose to roll over 100%, you must find other money within the 60-day period to contribute to the ELIGIBLE RETIREMENT PLAN, to replace the 20% that was withheld. On the other hand, if you roll over only the 80% that you received, you will be taxed on the 20% that was withheld.

Example: The portion of your payment that can be rolled over under Part I above is \$10,000, and you choose to have it paid to you. You will receive \$8,000, and \$2,000 will be sent to the IRS as income tax withholding. Within 60 days after receiving the \$8,000, you may roll over the entire \$10,000 to an ELIGIBLE RETIREMENT PLAN. To do this, you roll over the \$8,000 you received from TRF, and you will have to find \$2,000 from other sources (your savings, a loan, etc.). In this case, the entire \$10,000 is not taxed until you take it out of the ELIGIBLE RETIREMENT PLAN. If you roll over the entire \$10,000, when you file your income tax return you may get a refund of part or all of the \$2,000 withheld.

If, on the other hand, you roll over only \$8,000, the \$2,000 you did not roll over is taxed in the year it was withheld. When you file your income tax return you may get a refund of part of the \$2,000 withheld. (However, any refund is likely to be larger if you roll over the entire \$10,000.)

For TRF payments made on or after January 1, 2002, the IRS is permitted to waive the 60-day requirement if the failure to do so would be against equity or good conscience. Examples of such waivers may include cases of casualty, disaster, or other events beyond the reasonable control of the individual subject to such requirement (examples include, but may not be limited to, death, disability, hospitalization, incarceration, restriction imposed by a foreign country, or postal error).

Additional 10% Tax If You Are under Age 59½. If you receive a payment before you reach age 59½ and you do not roll it over, then, in addition to the regular income tax, you may have to pay an extra tax equal to 10% of the taxable portion of the payment. The additional 10% tax generally does not apply to

- (1) payments that are paid after you separate from service with your employer during or after the year you reach age 55,
- (2) payments that are paid because you retire due to disability,
- (3) payments that are paid as equal (or almost equal) payments over your life or life expectancy (or your and your beneficiary's lives or life expectancies),
- (4) dividends paid with respect to stock by an employee stock ownership plan (ESOP) as described in Code section 404(k),
- (5) payments that are paid directly to the government to satisfy a federal tax levy,
- (6) payments that are paid to an alternate payee under a qualified domestic relations order, or
- (7) payments that do not exceed the amount of your deductible medical expenses.

See IRS Form 5329 for more information on the additional 10% tax.

Special Tax Treatment If You Were Born Before January 1, 1936. If you receive a payment that can be rolled over under Part I and you do not roll over to an ELIGIBLE RETIREMENT PLAN, the payment will be taxed in the year you receive it. However, if the payment qualifies as a "lump sum distribution," it may be eligible for special tax treatment. A lump sum distribution is a payment, within one year, of your entire balance under TRF (and certain other similar plans of the employer) that is payable to you after you have reached age 59½ or because you have separated from service with your employer (or, in the case of a self-employed individual, after you have reached age 59½ or have become disabled). For a payment to be treated as a lump sum distribution, you must have been a participant in TRF for at least five years before the year in which you received the distribution. The special tax treatment for lump sum distributions that may be available to you is described below.

Ten-Year Averaging. If you receive a lump sum distribution and you were born before January 1, 1936, you can make a one-time election to figure the tax on the payment by using "10-year averaging" (using 1986 tax rates). Ten-year averaging often reduces the tax you owe.

Capital Gain Treatment. If you receive a lump sum distribution and you were born before January 1, 1936 and if you were a participant in TRF before 1974, you may elect to have the part of your payment that is attributable to your pre-1974 participation in TRF taxed as long-term capital gain at a rate of 20%.

There are other limits on the special tax treatment for lump sum distributions. For example, you can generally elect this special tax treatment only once in your lifetime, and the election applies to all lump sum distributions that you receive in that same year. If you have previously rolled over a distribution from TRF (or certain other similar plans of the employer), you cannot use this special averaging treatment for later payments from TRF. If you roll over your payment to a traditional IRA, you will not be able to use special tax treatment for later payments from the traditional IRA. Also, if you roll over only a portion of your payment to a traditional IRA, this special tax treatment is not available for the rest of the payment. See IRS Form 4972 for additional information on lump sum distributions and how you elect the special tax treatment.

Important notice for distributions on or after January 1, 2002. As explained in this notice, the new federal tax law, EGTRRA, creates new rollover options. However, a distribution from a qualified plan, like your TRF payment, is not eligible for capital gains or averaging treatment if there was a rollover to the plan that would not have been permitted under the law in effect before January 1, 2002. Thus, in order to preserve capital gains and averaging treatment (if available) for a TRF payment that is rolled over, the rollover would have to be made to a "conduit IRA" (*i.e.*, a traditional IRA which only includes the TRF payment), and then rolled back into a qualified plan.

IV. SURVIVING SPOUSES AND OTHER BENEFICIARIES

In general, the rules summarized above that apply to payments to employees also apply to payments to surviving spouses of employees.

For TRF payments made on or after January 1, 2002, if you are a surviving spouse, you have the same choices as the employee described above. Thus, you may choose to have an eligible rollover distribution, as described in Part I above, paid in a DIRECT ROLLOVER to an ELIGIBLE RETIREMENT PLAN or paid to you. If you have the payment paid to you, you can keep it or roll it over yourself to an ELIGIBLE RETIREMENT PLAN in the same manner as the employee.

For any TRF payments, if you are a beneficiary other than the surviving spouse, you *cannot* choose a direct rollover, and you *cannot* roll over the payment yourself.

If you are a surviving spouse or another beneficiary, your payment is generally not subject to the additional 10% tax described in section III above, even if you are younger than age 59½.

If you are a surviving spouse or another beneficiary, you may be able to use the special tax treatment for lump sum distributions, as described in section III above. If you receive a payment because of the employee's death, you may be able to treat the payment as a lump sum distribution if the employee met the appropriate age requirements, whether or not the employee had 5 years of participation in TRF.

HOW TO OBTAIN ADDITIONAL INFORMATION

This notice summarizes only the federal (not state or local) tax rules that might apply to your payment. The rules described above are complex and contain many conditions and exceptions that are not included in this notice. Therefore, you may want to consult with TRF or a professional tax advisor before you take a payment of your benefits from TRF. Also, you can find more specific information on the tax treatment of payments from qualified retirement plans in IRS Publication 575, *Pension and Annuity Income*, and IRS Publication 590, *Individual Retirement Arrangements*. These publications are available from your local IRS office, on the IRS's Internet Web Site at www.irs.gov, or by calling 1-800-TAX-FORMS.

IRS TAX NOTICE #93-26

PER IRS TAX NOTICE #93-26 WE ARE HEREBY INFORMING YOU THAT YOU HAVE THE RIGHT TO CONSIDER THE DECISION OF WHETHER OR NOT TO ELECT A DIRECT ROLLOVER FOR A PERIOD OF AT LEAST 30 DAYS AFTER THIS NOTICE IS RECEIVED.

**THIS PAGE IS
INTENTIONALLY LEFT
BLANK. THE
FOLLOWING PAGE
SHOULD APPEAR ON
THE BACK OF THE
COVER OF THE
APPLICATION.**



WHAT HAPPENS WHEN I SUBMIT MY RETIREMENT APPLICATION?

Application for Retirement Benefits – Part 1 received in the Member Service Center.

If application is found to be accurate and complete, member file is pulled.

Current analysis of service credit completed.

Upon receipt of retirement application or retirement date, whichever is latest, member is entered for estimated 85% check and file is assigned to Pension Administrator.

Audit performed, final payment approved, and letter sent to member.

Full benefit check received. Includes retroactive benefits back to last day of work or retirement date, whichever is latest but not in excess of 6 months. Any lump sum amounts or rollover checks are also issued at this time. Check will be less any 85% payments already received. All checks are dated the first of the month. The following month direct deposit begins.

Application reviewed for accuracy. Information compared with file. Any changes in address or beneficiary are made.

Final processing will take place within 60 days of receipt of the entire application packet. Retirement is entered into system for payment.

Part 2 is reviewed for accuracy and balanced. Average salary is calculated and last day from school is compared with application.

If Application for Retirement Benefits – Part 2 has not been received, school is contacted for estimated completion date.